

PX17

PX17 Attachment AR

Documents regarding strategy and priorities

BRB Strategy 12092016.docx

BRB Strategy

1. Traffic- After attending the symposium all day Saturday and talking to trusted people in the space it remains a question as to if we should keep most our traffic driven through networks and using direct affiliates that provide great traffic.
 - a. We need to continue to evaluate all sources of traffic for our targeted desired FAP \$ but we need to incorporate more quality testing after FAP to see if a good FAP can lead to CB issues down the road.
 - b. Cancellation of orders with 36hrs need to be brought to the attention of the networks as we should refuse to pay for those orders. Everyone we talked to at the show does it, so there is no reason we shouldn't also. It assures we aren't throwing money away on bad traffic; it lets the network and affiliates know that we watch this data for quality and won't pay for shit; and it saves us money. Potential monthly savings are \$14k, or \$170k per year.
 - c. We need fraud filters deployed ASAP. Everyone does it but us and we have moved way too slow to put them in place.
 - d. Reasons to keep a higher percent of our traffic on the network side (per Ryan Shapiro and one of the panels on Saturday) include:
 - i. Order Rejection: The ease of ability to refuse to pay for bad traffic.
 - ii. Legal Layers Networks add two layers of a liability buffer between us and where/how the offer is placed essentially reducing our exposure. For instance, if our offer was on a page where it looks like a celebrity was sponsoring our product that is 2 layers of protection to use since we didn't place it the network did (layer 1) and it was done by an affiliate (layer 2). If we go direct to affiliate that reduces a layer and if we had a media team buying traffic, there are no layers.
 - iii. Capital. Networks are more likely to extend terms.
 - iv. Also, Networks play the need for orders into a bidding war with advertisers
 - v. Traceability: It's harder to trace what affiliates are doing to see if advertisements are likely to drive bad traffic
 - e. Reasons to NOT keep a higher percentage of traffic on networks:
 - i. Cost: Individual affiliates are less expensive, there is no markup by a network
 - ii. Legal Visibility: Diversified brands with diversified individual affiliates are Much less likely to be caught in a dragnet of a network involving clusters of bad affiliates and clusters of bad advertisers
 - iii. Easier to track. It's easier to track advertising blogs, etc. for legal compliance.
 - iv. Less Bid wars. Individual affiliates don't bounce you back and forth with pricing.
 - v. Burn it up. Every now and then we get hit with a bevy of crap traffic. It's much easier to refuse to pay an affiliate than it is to refuse to pay a network.
2. Processing + resellers- This is an area that will need to be reworked from the current format. We need to shed some of our current resellers that don't provide vital info such as tax returns and personal bank statements. We will also need more resellers to get more MIDs especially if we are going to be entering a new product vertical. During talks it seems we are running our current MIDs too close to cap when we should be running them at about half their capacity. We risk hard number CB issues with our current model and in case of need we can't push more orders to MIDs in risk when we do so. Thus the need for more resellers.

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- a. We will be having three consultants coming in over the next month to evaluate our model, William Stapleton (next week), Seth Proper (2nd week in Jan), and Ryan Shapiro (before ASW). The plan is to see what they all say, sort through the minutia and see what works. I think we can get around a big consultation fee (just pay for airfare and hotel) by promising these new MIDs would be acquired through Seth or Ryan in exchange for this once over.
 - b. We should also think about international MIDs, we met with Concept Payments and heard great feedback from Steve Miles about this option. Ratios aren't as important as hard cap CB numbers and Deposits are never missed.
3. Products- do you want 100% of a blueberry or 20% of a watermelon? Again after talking with Ryan and others we need to add a new product to our portfolio. Getting teeth MIDs is harder and few banks domestically will do it anymore. Ryan asked "why are we making things harder on ourselves in an industry that is already difficult to make a profit?" Muscle is an immediate space where we can do well. After talking with Jade about our RevLive Clients who do muscle, they are successful, CB %s are good, stats like refunds are lower and traffic and processing are easy to get. Another idea and new vertical is CBD oil. This would make us one of the first to market and could be popular with Marijuana being a hot topic as far as legalization goes. We had dinner with a processor that can get us MIDs for it.
4. Technology. There are several things that industry platforms are providing as a service that we currently are not getting within our MONA system. Including CLV through RevGuard, MID management, cascading, etc. We need to investigate using a cloud alternative, if only for a few months to learn best practices, which we are way behind on.
5. Dual Strategy: Are we stuck in our ways? Have we failed to adapt? Yes.

There is an argument for us pursuing a dual company strategy.

- i. One company (BRB) pursues and hones the current strategy, including MIDS, products, networks, technology, etc.
- ii. And the other, (Orange Rocket Brands, ORB) pursues an industry best practices strategy including MID clusters, muscle and skin, Limelight, etc.

In summary, there are some areas (some of which we are already addressing) where we can make changes and have an immediate impact and there are some that will take some work but will have a longer lasting and profitable positive impact.

BRB Strategy 12092016.docx

BRB					
Class	Rank	Issue	Annual \$ Value	Minutes	Com
A	1	Rebranding-Closing older brands-BBB complaints, FTC complaints	\$ 10,000,000,000,000,000		
A	2	Improve decline cascade	\$ 180,000		
A	3	Deciding on MID strategy	\$ 2,500,000		
A	4	Deciding on product strategy	\$ 1,500,000		
A	5	Pushing back on fast cancelled orders with network	\$ 175,000		
A	6	Add one-off sales	\$ 200,000		
A	7	BIN filtering	\$ 200,000		
A	8	implementing a quality component to Dani's comp	\$ 350,000		
A	9	CB Predictor	\$ 350,000		
A	10	Descriptors need serious work-Dynamic	\$ 500,000		
A	11	Fees to processing % needs to come down	\$ 240,000		
A	12	Friendly transactions?	\$ 45,000		
A	13	Need to evaluate processor fees more frequently...Daily?	\$ 45,000		
A	14	reviewing other software platforms for CRM	\$ 50,000		
B	1	Why continue to do the friends and family extra pen?	\$ 75,000		
B	2	Change the length of our 8 and 10 day trials?	\$ (350,000)	45.00	
B	3	Evaluate what our email confirmation wording says	\$ 5,000		
B	4	Testing our call to action verbiage/Check Box/Heat map of pages/current layout CB stats	\$ 5,000		
B	5	Free Product with purchase?	\$ 5,000		
B	6	Facebook page-does this increase perceived value?	\$ 5,000		
B	7	Step 1 continuity step 2 straight sale?	\$ 5,000		
B	8	Affiliati higher CPA on step 1 no CPA step 2 proposal?	\$ 5,000		

Priorities 01202017.xls

BRB		Annual \$ Value		Timeline		Comments		Who	
Class	Rank	Issue							
A	1	Complete Model	\$ 1,000,000		27-Jan	Need to complete		Stelios	
A	2	Finalize reseller strategy and then roll out to potential resellers	\$ 10,000,000,000,000		EOY	Need to complete		Blair	
A	3	Mid Strategy 50% Frederick and then 50% William	\$ 2,500,000		Mid-January	Decision		Group	
A	4	Muscle and Male Enhancement	\$ 1,500,000		Mid-January	Decision		Group	
A	5	Improve decline cascade	\$ 180,000		EOY	Need to complete		Stelios	
A	5	Pushing back on fast cancelled orders with network	\$ 175,000		Early January	Need to complete		Stelios/Dani	
A	6	Add one-off sales	\$ 200,000		Mid-January	Decision		Group	
A	7	Rebranding-Closing older brands-BBB complaints, FTC complaints	\$ 10,000,000,000,000		EOY	Need to complete		Blair	
A	7	BIN filtering	\$ 200,000		Complete	Done		Group	
A	8	implementing a quality component to Dani's comp	\$ 350,000		EOY	Need to complete		Group	
A	9	CB Predictor	\$ 350,000		Mid-January	Need to complete		Group	
A	10		\$ 500,000		Mid-January	Decision		Group	
A	11		\$ 240,000		First Quarter	Decision		Group	
A	12		\$ 45,000		Mid-January	Decision		Group	
A	13		\$ 45,000		EOY	Need to complete		Group	
A	14		\$ 50,000		First Quarter	Decision		Group	
A	15	reviewing other software platforms for Gateway	\$ 50,000		First Quarter	Decision		Group	
A	16	What exactly do we ship?	\$ 75,000		EOY	Decision		Stelios	
A	18	Evaluate what our email confirmation wording says	\$ 5,000		EOY	Need to complete		Blair	
A	19	Testing our call to action verbiage/Check Box/Heat map of pages/current layout CB	\$ 5,000		First Quarter	Decision		Group	Talk to Longtail
A	20	Facebook page-does this increase perceived value?	\$ 5,000		First Quarter	Decision		Group	Kirill
A	21	Step 1 continuity step 2 straight sale?	\$ 5,000		Mid-January	Decision		Group	
A	17	Affiliati higher CPA on step 1 no CPA step 2 proposal?	\$ 5,000		Mid-January	Decision		Group	
A	22	Review Packaging	\$ 5,000		Mid-January	Decision		Stelios	
A	23	Club pricing for cancels	\$ 5,000		Mid-January	Decision		Stelios	

From: stelios@bluerocketbrands.com
Sent Via: Google Calendar <calendar-notification@google.com>
To: bmcnea@gmail.com
Subject: Accepted: Review MIDs and Brands and complaints and discuss rebranding @ Wed May 3, 2017 11am - 12pm (Blair McNea)
Date: Wed, 26 Apr 2017 18:13:54 +0000

stelios@bluerocketbrands.com has accepted this invitation.

Review MIDs and Brands and complaints and discuss rebranding

Stelios/Dani to bring a comprehensive list of all brands and their age and number of BBB complaints throughout their life

When
Wed May 3, 2017 11am – 12pm Mountain Time

Where
Blair office (map)

Calendar
Blair McNea

Who

- Blair McNea - organizer
- stelios@bluerocketbrands.com
- nosel.megan@bluerocketbrands.com
- danielle@bluerocketbrands.com

Invitation from Google Calendar
You are receiving this email at the account bmcnea@gmail.com because you are subscribed for invitation replies on calendar Blair McNea.
To stop receiving these emails, please log in to <https://www.google.com/calendar/> and change your notification settings for this calendar.
Forwarding this invitation could allow any recipient to modify your RSVP response. [Learn More.](#)

Content-Transfer-Encoding: quoted-printable
Content-Type: text/html; charset=UTF-8

X-Apple-Content-Length: 788
Content-Type: text/calendar; charset=UTF-8; method=REPLY
Content-Transfer-Encoding: 7bit

Content-Type: multipart/alternative; boundary=001a11c040a89daa05054e15cd02

Content-Transfer-Encoding: base64
Content-Disposition: attachment; filename=invite.ics
Content-Type: application/ics; name=invite.ics
X-Apple-Content-Length: 1098

12825
Delivered-To: bmcnea@gmail.com
Received: by 10.157.19.90 with SMTP id q26csp441857otq; Wed, 26 Apr 2017 11:13:54 -0700 (PDT)

Priorities 12082016.xls

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